



# 2005 Minerals Yearbook

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LESOTHO

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# THE MINERAL INDUSTRY OF LESOTHO

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The Kingdom of Lesotho is a landlocked country that is completely surrounded by South Africa. The country was a producer of clays, diamond, crushed and dimension stone, and sand and gravel (table 1). In fiscal year 2004-05, manufacturing accounted for 17% of the gross domestic product; construction, 14%; electricity and water, 4%; and mining and quarrying, less than 1%. Exports of minerals and mineral products accounted for less than 1% of total exports in 2004 (International Monetary Fund, 2005, p. 31, 56).

Letseng Diamonds (Pty) Ltd. [Matodzi Resources Ltd. of South Africa and JCI Ltd. of South Africa, 38% each, and the Government of Lesotho, 24%] operated the Letseng la Terae diamond mine. In fiscal year 2004-05, the company produced 37,000 carats of diamond at a value of \$44.4 million. The company planned to produce slightly more than 50,000 carats in fiscal year 2005-06. A new plant that would double capacity to 100,000 carats per year was expected to be completed by 2007 (Muller, 2005).

In September 2005, European Diamonds plc completed the diamond recovery plant at the Lihobong diamond mine. The company held a mining license for the Satellite Pipe at

Lihobong and an exclusive prospecting license for the nearby Main Pipe. European Diamonds planned to reach full capacity by the end of 2005 and to produce 290,000 carats of diamond in 2006 (European Diamonds plc, 2005a, p. 4; 2005b).

Diamond production was likely to rise in 2006, but the outlook for the remainder of Lesotho's mineral industry was for little change in the near future. Limited natural resources and high rates of HIV/AIDS infection among Lesotho's population were likely to constrain development of the mining sector.

## References Cited

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 European Diamonds plc, 2005b, European Diamonds plc committed to diamond sale & Lihobong Mine update: London, United Kingdom, European Diamonds plc press release, 2 p.  
 International Monetary Fund, 2005, Kingdom of Lesotho—Selected issues and statistical appendix: Washington, DC, International Monetary Fund, December 28, 75 p.  
 Muller, Emma, 2005, Letseng diamond mine sparkles: Business Day [Johannesburg, South Africa], April 6, 2 p.

TABLE 1  
 LESOTHO: PRODUCTION OF MINERAL COMMODITIES<sup>1,2</sup>

Commodity		2001	2002	2003	2004 <sup>c</sup>	2005 <sup>c</sup>
Diamond	carats	1,140	721	2,099	14,000 <sup>r</sup>	37,000 <sup>3</sup>
Fire clay	cubic meters	34,000	42,000	14,470	15,000	15,000
Stone, quarry products:						
Dimension stone	square meters	13,357	29,766	1,089	1,000	1,000
Gravel and crushed rock	cubic meters	180,000	261,037	389,695	300,000	300,000

<sup>c</sup>Estimated; estimated data are rounded to no more than three significant digits. <sup>r</sup>Revised.

<sup>1</sup>Table includes data available through October 4, 2006.

<sup>2</sup>Data are for the financial year ending in April.

<sup>3</sup>Reported.